

AMENDED IN ASSEMBLY APRIL 23, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1100**

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**Introduced by Assembly Member Levine**

February 22, 2013

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An act to amend Section 280 of the Public Utilities Code, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

AB 1100, as amended, Levine. Telecommunications: California Teleconnect Fund Administrative Committee Fund.

Existing law, the federal Telecommunications Act of 1996, establishes a program of cooperative federalism for the regulation of telecommunications to attain the goal of local competition, while implementing specific, predictable, and sufficient federal and state mechanisms to preserve and advance universal service, consistent with certain universal service principles. The universal service principles include the principle that elementary and secondary schools and classrooms, health care providers, and libraries should have access to advanced telecommunications service. The act authorizes states to adopt regulations not inconsistent with Federal Communications Commission rules to preserve and advance universal service. The act requires that every telecommunications carrier that provides intrastate telecommunications services contribute, on an equitable and nondiscriminatory basis, in a manner determined by the state, to the preservation and advancement of universal service in that state. The act authorizes each state to adopt regulations to provide for additional definitions and standards to preserve and advance universal service within the state, only to the extent that they adopt additional specific,

predictable, and sufficient mechanisms that do not rely on or burden federal universal service support mechanisms.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including telephone corporations. Existing law authorizes the commission to fix just and reasonable rates and charges for public utilities. Existing law requires that the commission develop, implement, and administer a program to advance universal service by providing discounted rates to qualifying schools, community colleges, libraries, hospitals, health clinics, and community organizations (teleconnect program). Existing law establishes the California Teleconnect Fund Administrative Committee Fund in the State Treasury and requires the moneys in the fund, upon appropriation, be expended only for the teleconnect program. A commission decision establishes an annual limit on the reimbursement provided to the California Community Colleges as part of the teleconnect program.

This bill would prohibit an annual limit for the reimbursement provided to the California Community Colleges as part of the teleconnect program. *The bill would prohibit the commission, for a reimbursement limit adopted as part of the teleconnect program, from discriminating among program participants by imposing a limit on a single class of participants.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 280 of the Public Utilities Code is  
2     amended to read:  
3     280. (a) The commission shall develop, implement, and  
4     administer a program to advance universal service by providing  
5     discounted rates to qualifying schools maintaining kindergarten  
6     or any of grades 1 to 12, inclusive, community colleges, libraries,  
7     hospitals, health clinics, and community organizations, consistent  
8     with Chapter 278 of the Statutes of 1994.  
9     (b) There is hereby created the California Teleconnect Fund  
10    Administrative Committee, which is an advisory board to advise  
11    the commission regarding the development, implementation, and  
12    administration of a program to advance universal service by  
13    providing discounted rates to qualifying schools maintaining  
14    kindergarten or any of grades 1 to 12, inclusive, community

1 colleges, libraries, hospitals, health clinics, and community  
2 organizations, consistent with Chapter 278 of the Statutes of 1994,  
3 and to carry out the program pursuant to the commission's  
4 direction, control, and approval.

5 (c) All revenues collected by telephone corporations in rates  
6 authorized by the commission to fund the program specified in  
7 subdivision (a) shall be submitted to the commission pursuant to  
8 a schedule established by the commission. The commission shall  
9 transfer the moneys received to the Controller for deposit in the  
10 California Teleconnect Fund Administrative Committee Fund. All  
11 interest earned by moneys in the fund shall be deposited in the  
12 fund.

13 (d) Moneys appropriated from the California Teleconnect Fund  
14 Administrative Committee Fund to the commission shall be utilized  
15 exclusively by the commission for the program specified in  
16 subdivision (a), including all costs of the board and the commission  
17 associated with the administration and oversight of the program  
18 and the fund.

19 (e) Moneys loaned from the California Teleconnect Fund  
20 Administrative Committee Fund in the Budget Act of 2003 are  
21 subject to Section 16320 of the Government Code. If the  
22 commission determines a need for moneys in the California  
23 Teleconnect Fund Administrative Committee Fund, the commission  
24 shall notify the Director of Finance of the need, as specified in  
25 Section 16320 of the Government Code. The commission may not  
26 increase the rates authorized by the commission to fund the  
27 program specified in subdivision (b) while moneys loaned from  
28 the California Teleconnect Fund Administrative Committee Fund  
29 in the Budget Act of 2003 are outstanding unless both of the  
30 following conditions are satisfied:

31 (1) The Director of Finance, after making a determination  
32 pursuant to subdivision (b) of Section 16320 of the Government  
33 Code, does not order repayment of all or a portion of any loan  
34 from the California Teleconnect Fund Administrative Committee  
35 Fund within 30 days of notification by the commission of the need  
36 for the moneys.

37 (2) The commission notifies the Director of Finance and the  
38 Chairperson of the Joint Legislative Budget Committee in writing  
39 that it intends to increase the rates authorized by the commission  
40 to fund the program specified in subdivision (a). The notification

1 required pursuant to this paragraph shall be made 30 days in  
2 advance of the intended rate increase.

3 (f) Subdivision (e) shall become inoperative upon full repayment  
4 or discharge of all moneys loaned from the California Teleconnect  
5 Fund Administrative Committee Fund in the Budget Act of 2003.

6 (g) The reimbursement for the California Community Colleges  
7 shall not have an annual limit, as established pursuant to  
8 commission Decision 08-06-020. *A reimbursement limit adopted*  
9 *by the commission to achieve the goals of the program specified*  
10 *in subdivision (a) shall not discriminate among program*  
11 *participants by imposing a limit on a single class of participants.*